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Czech Republic

Oilseeds and Products

Annual Report

2000

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Report Highlights: Domestic consumption of rapeseed is currently between 450,000 and 500,000 MT and only a slight decline is expected in 2000/01. In contrast to last year, for 2000 no export licences are required for rapeseed exports. Total oilseed area increased last year, mostly due to the expansion of sunflower-seed area.

Includes PSD changes: Yes
Includes Trade Matrix: No
Annual Report
Vienna [AU1], EZ

Production, yields, and prices

Rapeseed is the main oilseed crop in the Czech Republic, accounting for 75% of total harvested area. Rapeseed is also the main oilseed export commodity. Total oilseed sowing area increased by 32% from 350,000 hectares to 468,000 hectares in MY 1999/2000 because market prices were high prior to the planting season. Sunflower-seed area grew by 64% from 17,000 to 29,000 hectares. Oilseed production is forecast to be 1.1 mil MT in MY 1999/2000, which is almost a 43% increase over the previous year. Almost half of total oilseed production will be exported.

For rapeseed, the harvested area increased in 1999/2000 from 265,000 hectares to 350,000 hectares. Area in the next crop year is expected to remain at about 350,000 hectares. Production of rapeseed in 1999/2000 reached a historic high of 930,000 MT due to increased harvested area and a high crop yield of 2.73 MT per hectare. In 1999 the average per ton price went down by 1700 CZK to 5300 CZK/MT and the decline has hurt already strapped Czech producers.

Domestic consumption

Total domestic consumption is expected to remain between 450,000 and 500,000 MT in 2000/01.

The Czech Republic has two major oilseed crushing plants - Setuza and Milo - and together they process around 60% of the total domestic oilseeds crop. In March 1999 Setuza bought Milo but quickly sold it to SEC Leasing. In a separate transaction, Agrocredit, the majority shareholder of Setuza, bought Milo's state-of-the-art crushing plant Milo Surovary in August 1999. There have been reports that Milo and Setuza may merge in the next year or two.

Czech oilseed processing companies have invested heavily in new plants, new technologies, and rebuilding old processing plants. Milo spent more than one billion crowns in investments between 1995-99 and built a new plant for bio fuel production, a new oil refining plant, and a plant for a production of cosmetic products.

Milo and about 20 smalls oilseed plants produce bio fuels but production levels for 2000/01 are difficult to forecast because of a recent excise tax and pending subsidy legislation. In 1999 Parliament passed a 8,150CZK/MT excise tax on bio fuels that will come into force in April 2000. Last year there was a bio fuel production subsidy of 3,000 CZK/MT. In order to offset the new excise tax, the Ministry of Agriculture proposed a 26,000 CZK/MT production subsidy, which was rejected by Parliament. The future of bio fuel production now depends on the level of subsidy that the Parliament approves.

Imports and exports

In contrast to previous Czech policy, for 2000 no export licences are required for rapeseed.

No structural changes are expected that would significantly increase or decrease

The origin of soybean meal imported into the Czech Republic is difficult to track since importers purchase this commodity in Germany and Holland and transshipments may go unreported. The

main companies trading with oilseeds in the Czech Republic are Agropol, AGF Trading, Agrofert, BMC Tchechmalt and Protecto Partners.

Production policy

The Czech government does not provide production support to oilseed growers. The lack of government support is partly replaced by the activities of the Czech Union of Oilseed Growers and Processors. Among the members of the Union, representing about 70 percent of total oilseed production, are two major oilseed processing plants (Setuza and Milo), 40 small crushing plants, several seed companies, 850 growers and the three main oilseed trading companies (Protecto Partners, Protein Service and AGS Trading). The Union provides information and consulting services to its members. Some information and consulting services include what kinds of oilseeds to grow, where to grow them, what fertilizers and pesticides to use, what the world prices of oilseeds are, and recommended sales prices. Union membership dues are 50 Kc per sown hectare per year.

Trade policy

Import tariffs on rapeseed are gradually decreasing, as can be seen from the following table:

HTS number	Description	1998	1999	2000
1201.00.10	Soybean for sowing	Free	Free	Free
1201.00.90	Soybean, other	Free	Free	Free
1205.00.10	Rapeseed for sowing	12.0	11.8	11.5 (CEFTA countries - Slovakia, Hungary, Poland, Slovenia, Romania, Bulgaria - Free)
1205.00.90	Rapeseed, other	64.2	62.1	60 (Hungary and Poland 15, Slovenia - Free)

Rapeseed PSD Table

PSD Table						
Country:	Czech Republic					
Commodity:	Rapeseed					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Planted	350	350	300	350	0	300
Area Harvested	349	349	300	349	0	298
Beginning Stocks	0	0	99	0	28	0
Production	940	931	780	875	0	775
MY Imports	1	20	1	10	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	941	951	880	885	28	785
MY Exports	340	500	350	458	0	333
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	500	449	500	425	0	450
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	2	2	2	2	0	2
Total Dom. Consumption	502	451	502	427	0	452
Ending Stocks	99	0	28	0	0	0
TOTAL DISTRIBUTION	941	951	880	885	0	785
Calendar Year Imports	0	15	0	7	0	8
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	39	393	40	400	0	350
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Rapeseed Oil PSD Table

PSD Table						
Country:						
Commodity:						
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Crush	500	449	500	425	0	450
Extr. Rate	0.418	0.445434 3	0.418	0.435294 1	ERR	0.433333 3
Beginning Stocks	10	10	10	10	10	10
Production	209	200	209	185	0	195
MY Imports	4	15	5	9	0	7
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	223	225	224	204	10	212
MY Exports	19	25	30	22	0	23
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	100	23	89	28	0	40
Food Use Dom. Consump.	89	162	90	139	0	134
Feed Waste Dom. Consum.	5	5	5	5	0	5
Total Dom. Consumption	194	190	184	172	0	179
Ending Stocks	10	10	10	10	10	10
TOTAL DISTRIBUTION	223	225	224	204	10	212
Calendar Year Imports	15	12	10	8	0	6
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	22	22	30	25	0	24
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Rapeseed Meal

PSD Table						
Country:						
Commodity:						
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Crush	500	449	500	425	0	450
Extr. Rate	0.628	0.5567929	0.586	0.5764706	ERR	0.571111
Beginning Stocks	0	0	0	0	0	0
Production	314	250	293	245	0	257
MY Imports	1	13	1	15	0	11
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	315	263	294	260	0	268
MY Exports	157	170	175	165	0	170
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum.	158	93	119	95	0	98
Total Dom. Consumption	158	93	119	95	0	98
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	315	263	294	260	0	268
Calendar Year Imports	17	21	1	18	0	15
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	170	156	300	155	0	160
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

(Exchange rate: March 2000: 1USD = 36 CZK)